



Department of Justice

United States Attorney's Office
District of North Dakota

FOR IMMEDIATE RELEASE

June 23, 2010

<http://www.usdoj.gov/usao/nd/>

CONTACT: JULIE HOUGH

PHONE: (701) 297-7400

FAX: (701) 297-7425

**Guyana Man Sentenced for Money Laundering
and Defrauding the United States**

FARGO - Acting United States Attorney Lynn Jordheim announced today that **Neville Solomon** of Guyana, was sentenced before United States District Court Judge Ralph R. Erickson on three counts of money laundering and one count of conspiracy to defraud the United States.

Solomon, 67, was found guilty by a 12-person jury on February 9, 2010, of money laundering after he and an associate, Frederick W. Keiser, Jr., of Minot, North Dakota, promoted a scheme to fraudulently obtain money from potential investors by inducing them to wire money to a company called MidChina Capital Management, located in Las Vegas, Nevada. The phony investment promoted by Solomon and Keiser involved a fictitious bank trading or bank guarantee program in which bank instruments were to be obtained. Solomon and Keiser convinced their victims that the bank instruments would generate exorbitant yields which would be used to fund other income-generating projects for MidChina, which in turn would result in investors gaining enormous returns. The investors were falsely assured that the investment was safe and secure.

-more-

The North Dakota Securities Commissioner issued a cease and desist order to halt Keiser from promoting a similar scheme in January 2001. Solomon and Keiser then became involved with the bank trading scheme affiliated with MidChina Capital Management in mid-2001. Solomon and Keiser promoted the scheme to investors who invested over \$2 million dollars into the scheme between August 2001 and December 2002. During this time Solomon directed funds from MidChina investors to be wired to Keiser to assist in paying Keiser's settlement with the North Dakota Securities Commissioner arising from the first scheme. Solomon also utilized investor funds to pay his personal living expenses. Investors did not receive their money back from MidChina. Solomon was also convicted of a conspiracy to defraud the United States by utilizing and assisting others to utilize a convoluted scheme that Solomon promoted to be used to eliminate the necessity to pay income taxes.

Keiser was convicted by a jury in 2007 for his role in this scheme and is serving a 12-year prison sentence.

Judge Erickson sentenced Solomon to seven years and two months in prison to be followed by three years of supervised release. Solomon was ordered to pay a \$400 special assessment to the Crime Victim's Fund. A restitution hearing has been scheduled for August 26, 2010. Judge Erickson also ordered Solomon to forfeit \$2,043,235.00, representing the proceeds of the unlawful activity in this case.

"The sentence received by Mr. Solomon shows that investors who get defrauded like this will sit quietly waiting for their great returns for only so long," said Assistant

United States Attorney Brett Shasky. "If the promised return isn't forthcoming and the investment isn't returned, they will be heard. Persons choosing to promoted such schemes should beware. The day will come when the price they pay for their greed will be great."

The case was investigated by the Internal Revenue Service - Criminal Investigation Division, United States Immigration and Customs Enforcement, United States Postal Inspection Service, North Dakota Bureau of Criminal Investigation, and the North Dakota Securities Commissioner.

"Investors should diligently check out claims of unusually high rates of return, and steer clear of schemes that purport to eliminate the necessity to pay income taxes," according to Julio La Rosa, Special Agent in Charge of IRS Criminal Investigation covering North Dakota. "IRS CI will continue to work with other law enforcement and regulatory agencies to shut down fraudulent tax and investment schemes and, as this sentence shows, hold the promoters of these schemes accountable for their actions."

Assistant United States Attorneys Brett Shasky and Jennifer Klemetsrud Puhl prosecuted the case.

-end-

